be set up of Mathania Rajasthan with cost sharing by the Central Government and the State Government and financial assistance from the World Bank and Germany. In addition, the Government of Rajasthan has issued letters of intent to three private parties for establishing solar power projects with an aggregate capacity of 300 MW in Western Rajasthan these projects may involve foreign investment The Non Conventional Energy Development Agency of Uttar Pradesh has recently invited bids from private parties to set up solar power projects of capacity between 5 MW and 15 MW on Build-Own-Operate and Maintain basis.

(d) and (e) Solar Thermal and photovoltaic systems are manufactured and used by a large number of private undertakings in the country Among the users and hotels hospitals Textile mills dairy units oil mills tea gardens etc Nearly 150 companies are involved in the manufacture of solar energy products

Urban Development

905 DR T SUBBARAMI REDDY Will the PRIME MINISTER be pleased to state

(a) whether Union Government have decided to spend Rs 500 crore on urban development from 1996-97 onwards

(b) if so, the total amount to be spent for the clearance of slums

(c) whether the State Governments will be involved in clearing the slums in urban areas under the Central guidance, and

(d) whether this will help in checking the migration of rural people to urban areas?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR U VENKATESWARLU) (a) No such decision has been taken.

(b) Under the National Slum Development Scheme launched by Prime Minister on 25 8 1996 at Kanpur an allocation of Rs 250 crores has been proposed for the current financial year 1996-97

(c) The State Governments will be involved in the implementation of this scheme

(d) Since migration of rural people to urban areas depend primarily on employment considerations, it is not likely that the new scheme will help checking the migration of rural people to cities and towns.

Foreign Assistance for Power Projects

906 SHRI DINSHA PATEL : Will the PRIME MINISTER be pleased to state :

(a) the quantum of external assistance received by the Government of India from the external agencies during the last three years for the power sector in the country year-wise

(b) the criteria of disbursement of external assistance by external agencies and Government of India in turn to various power projects in the country

(c) whether the Government of India receives the sanctioned amount of external assistance in lump sum but releases the same to the project authorities same in instalments

(d) if so, what were rate of interest paid by the Government to external agencies and the rate of interest charged by the Government from power projects and

(e) the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER AND MINISTER OF STATE IN THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (DR S VENUGOPAL ACHARI) (a) External assistance for power sector received by Government of India (GOI) during the last three years is as under

Year	Amount (in Rs crore)
1993-94	2842.80
1994-95	3338.82
1995-96	2595.85

(b) and (c) Generally the criteria of disbursement of external assistance by external agencies is on reimbursement basis Under the present dispensation external assistance received on account of projects being implemented by State Governments is passed on 100% to the concerned State by the GOI The pattern adopted for passing on additionality is in the form of 70% loans and 30% grants The concerned State Government in turn releases the external assistance to the project For central projects with effect from 1 4 1993 future borrowings from multilateral/bilateral agencies by Public Sector Undertakings (PSUs) of the Centre is direct (without GOI intermediation) on the terms as agreed mutually between the borrower and the lender and approved by GOI. This was subsequently extended to grants also

(d) Rate of interest paid by GOI to donor countries/agencies varies from source to source and is indicated in the Statement attached With regards to the State sector power projects, the Additional Central Assistance (ACA) is passed on at 70 : 30 ratio of loan and grant to the States As on 31.3.1996, the rate of interest charged on the loan component of the ACA for state projects was 13% p.a. and on central projects it was 16%.

(e) Does not arise.

STATEMENT

S No.	Source	Rate of Interest (in %)	Commitment Charges (in %)	Remarks
	Multilateral :			
1.	I.B.R.D.	7.71*	0.75	Commitment Charge to the extent of 0.50%
2.	I.D.A.	0.75	0.50	is being waived since last 2 years (i) In respect of credits finalised till July 1988, the repayment period is 50 yrs. including Grace period of 10 yrs. (ii) Commitment charge is being waived since last two years.
3.	I.F.A.D.	1.00		
4.	A.D.B.	6.53*	0.75	
5.	O.P.E.C.	2.00		
	Bilateral			
1.	Australia	1.635		
2.	Austria	2.00 to 6		
3.	Belgium	0.00 to 3		
4.	Canada	0.00		
5.	Czeckoslovakia	2.50		
6.	Denmark	0.00		
7.	Germany	0.75	0.25	Mixed Govt. portion
		7.50*	0.25	Mixed Bank portion
8.	France	0.90		Mixed Govt. portion
		10.75*	0.50	Mixed Bank portion Management fees 0.50%
9.	Italy	1.50		
10.	Japan	2.50		
11.	Netherlands	2.50**		
12.	U.K.	0.00		
13.	U.S.A.	2.50		
14.	Sweden	1.50***		
15.	Switzerland	1.50		Mixed Govt. portion
		9*		Mixed Bank portion
16.	U.S.S.R. (Former)	2.50		
17.	Iran	3.00		
18.	U.A.E.	2.50		
19.	Kuwait Fund	4.00		
20.	Abu Dhabi Fund	4.00		
21.	Saudi Fund	4.00		
22.	E.P.C. (SAC)	0.75		

Note * Interest rate is variable

** Other charges-Bank charges at variable rates on reimbursement only

*** (i) Agency fee @ 0.125% on disbursement (ii) Commitment charges @ 0.50% on undisbursed balance (iii) Credit Insurance premium equivalent to 7.96% of loan amount to be paid in 5 intalment (iv) For new agreement dt 23.2.1994 Agency fee 0.25%, Commitment fee 0.50% undisburse balance, Credit Insurance premium 7.95% of loan amount and Management fee 0.50%.